

Sharing Series 3

# *Microcredit: Not Just Money!*



The Story of Bala Vikasa  
Integrated Women  
Development Programme  
Loan Facilities



In 1994, Bala Vikasa with the collaboration of partner institutions started a Self-Help Women Development Programme. By 2004, this programme had spread to over 1000 villages in Andhra Pradesh and the neighbouring state of Karnataka. Through this programme, Bala Vikasa continues to empower women and lead them and their families towards economic advancement and self-reliance.

Bala Vikasa Women Programme promotes seven core activities:

1. Capacity building through monthly training sessions for women, leaders, coordinators, etc.
2. Adult literacy
3. Savings
4. Income generation through loans
5. Social, Health and Community development
6. Environment protection
7. Humanitarian activities where women proudly assist the old and orphans living in their communities.



# Microcredit: Not Just Money!



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**Sharing series**, published by the Bala Vikasa People Development Training Center( PDTC), as the name suggests, is based on Bala Vikasa's eagerness to share the outcomes of research and studies conducted at the grass roots in collaboration with the people for whom development programs were and are intended, with like-minded organizations and donor agencies, who could use the insights gained to plan and implement their own programs.



Sharing Series 1 (SS 1), "Before and After: Impact Study on Bala Vikasa Integrated Women Development Programme (IWDP)", April 2004.

**ISBN 81-902248-0-8.**

Sharing Series 2 (SS2), "Water: Bridging the Gap: Impact Study on Bala Vikasa Water Programs", May 2004.

**ISBN 81-9022-1-6**



This publication, *Sharing Series 3 (SS3)*, "*Microcredit: Not Just Money!: The Story of Bala Vikasa Integrated Women Development Programme Loan Facilities*", March 2005.

**ISBN 81-902248-2-4**

**MICROCREDIT: NOT JUST MONEY!** is dedicated to **Mr. Eugène Tassé and his family.**

We salute a truly committed and successful self-made entrepreneur who has made a tremendous impact in his country, Canada, and in India, through his generous and continuous support through Bala Vikasa microcredit activities. His long-standing endorsement of Small Entrepreneurship as a necessary tool for Sustainable Development has been an inspiration to us all.

This publication is a product of Bala Vikasa People Development Training Center (PDTC). For information about PDTC and its Sharing Series please contact:

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## FOREWORD

Few years ago, a team of evaluators conveyed to Bala Vikasa that the organization should “tell its story”

“**Microcredit: Not Just Money!**” is a response to the evaluators recommendations. It tells the story of one of the most successful development activities of Bala Vikasa. Like all stories in the field of community development, this too is a story with a beginning but no ending. What started in 1995 as Self-Help Women Development Program<sup>1</sup>, has over the last decade gained momentum and as an Integrated Women Development Program has spread all over Andhra Pradesh, a southern state in India, and even into another neighbouring state, Karnataka. It is going on and on, continuing to get better and better, attuned to the people Bala Vikasa has joined hands to work in partnership.

It is appropriate to publish this story in 2005 as this year has been launched by the United Nations as the **International Year of Microcredit:**

- “Recognizing that microcredit programmes have successfully contributed to lifting people out of poverty...”
- “Bearing in mind that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment.”
- “Recognizing that microcredit programmes, in addition to their role in eradication of poverty, have also been a factor contributing to the social and human development process.”

2005 is also a pivotal year to reach the **UN Millennium Development Goals**. The recent mid-course UN report “Investing in Development, A Practical Plan to Achieve the Millennium Development Goals”<sup>2</sup> under the direction of Columbia University Professor, Jeffrey Sachs, emphasizes the fact that efforts will have to be greatly intensified if extreme poverty in our world has to be cut by half by the target date of

<sup>1</sup> Bala Vikasa, *Before and After: Impact study on Bala Vikasa Integrated Women Development Programme*, Sharing Series 1, front cover-inside.

<sup>2</sup> Jeffrey D.Sachs, Director, *Investing in Development, A Practical Plan to Achieve the Millennium Development Goals*, January 2005, Earthscan, London, Sterling, Va.



2015. Well planned and well managed microcredit programmes are crucial to achieve this objective. **“Microcredit: Not Just Money!”** helps to take a closer look at Bala Vikasa’s Integrated Development Programs from the above resolutions of the United Nations.

**“Microcredit: Not Just Money!”** would not have been achievable without the tremendous contribution of Bala Vikasa foundress, Mrs. Bala Theresa Singareddy Gingras. It is she, who in the 1990s had the foresight to conceive, plan and set up a very successful Integrated Women Development Program presently regrouping a total strength of more than one lakh women. It is she, who started microcredit activities for the benefit of thousands of poor women. It is she, who designed a savings and microcredit financial system allowing control and flexibility. It is she, who tirelessly continues to train, motivate and march forward, hand-in-hand with the BV women, in their search to achieve empowerment. For them, and for Bala Vikasa field staff, she is their role model and their inspiration.

**“Microcredit: Not just Money!” (SS-3)** is the third publication of People Development Training Centre in its sharing series. It has two sections: The first section describes the methodology followed by Bala Vikasa Integrated Women Development Program in its microcredit activity. In this part, some challenges faced by the programme and the present day situation at the grassroots are also identified. The second section tells the stories of a number of women who have risen from abject poverty to a life of self-reliance. Their voices confirm the dramatic changes they have experienced through Vikasa loans.

Through this Sharing Series SS-3, Bala Vikasa wishes to share the success of its microcredit program, which from its inception was not a stand alone or an appendage, but an integral aspect of Bala Vikas’a social and human development process.



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## ABBREVIATIONS

ADB	-	Asian Development Bank
BV	-	Bala Vikasa
DWCRA	-	Development of Women and Child in Rural Areas
IG	-	Income Generating
IWDP	-	Integrated Women Development Programme
MDG	-	Millennium Development Goals
MFI	-	Microfinance Institution
MPSSS	-	Multi Purpose Social Service Society
PCO	-	Public Call Office
RS	-	Rupees
SHG	-	Self Help Group
SSFS	-	Social Security Fund Scheme
SSS	-	Simple Saving System
STD	-	Subscriber Trunk Dialling
UN	-	United Nations

## GLOSSARY

Banjara work	-	Colourful patchwork with embroidery worn by tribal women in Andhra Pradesh.
Beedi	-	Local cigarette
Chappal	-	Sandals
Coolie	-	Daily wage labourer
Dhobi	-	Washerman/woman
Kangan shop	-	A commercial shop selling all articles related to ladies tailoring, ladies wear, bangles, cosmetic, etc.
Kirana Shop	-	A retail shop which sells grocery and miscellaneous items
Lakh	-	1,00,000
Mahila Mandal	-	Women's Group
Pan Shop	-	Shop selling beetle leaves, nuts, cigarettes, chocolate, etc.
Tiffin	-	Heavy snack
Swagraha Sweets-	-	Home made sweets



# Section One



## Bala Vikasa Microcredit Facilities:

### Methodology and Challenges





## MICROCREDIT : NOT JUST MONEY!

### The Context

The history<sup>1</sup> of microfinancing dates back to the 1970s when poverty alleviation became the focus of a major part of the development agenda. At the grassroots level, poverty was seen as the fundamental underlying problem affecting all developmental issues. Simultaneously, it was also perceived, that with access to increased income, the poor were in a better position to take charge of their life and work towards self-reliance.

Over the years a gradual shift took place among NGOs who began lending money to the poor for income generating activities, at subsidized rates of interest. The poor soon demonstrated that just to have access to finance, they were willing to pay commercial or higher rate of interest, and repay the borrowed amount.

Since the early 1990s, the developing world has witnessed a proliferation of NGOs promoting microcredit. This trend culminated in 1997, with the Microcredit Summit which took place in Washington, D.C. USA.

Presently, an evolution is noticeable. From microcredit finance for income generating activities (microenterprise finance) it has changed to microfinance. This evolution has broadened the spectrum and options for low-income men and women, desiring financial services, to expand their choices of income generating activities and household strategies.

While microenterprise finance excludes household finance (e.g. savings) except for those that are linked to income generating activities, microfinance, on the other hand,

<sup>1</sup> For a more comprehensive summary of the history of microfinancing, refer to USAID, *Bridging the Gap : Cooperative Development Organizations and Private and Voluntary Organizations in Microfinance*, June 7, 1999, pp. 14-16.



includes the savings of the poor and a range of other financial service: insurance schemes, etc.

### **Bala Vikasa's development approach**

Although microfinance is publicized as the provision of "small loans" and financial services to the poor, Bala Vikasa perceives microfinance from a broader sustainable development dimension. Its holistic approach to development<sup>2</sup>, integrates microfinance (savings and loans) to non-financial development issues, such as community leadership and community organizing, education and literacy, primary health, etc. It strongly believes that microfinance cannot stand alone but has to be well incorporated into existing developmental activities, endorsed by the people themselves in a participatory approach. This conviction is deeply embedded in the development philosophy of BV and is amply evident in its Integrated Women Development Program (IWDP) launched in the state of Andhra Pradesh, India, in 1994.

In supporting an integrated approach in its Integrated Women Development Program, Bala Vikasa's 24 multi-dimensional activities promote, social,

intellectual and democratic development, besides economic development. These activities are aimed at helping women become better managers of their environment, and responsible citizens in their communities.

The Asian Development Bank (ADB) reports in *Finance for the Poor: Microfinance Development Strategy*<sup>3</sup>: "Micro finance can be a critical element of an effective poverty reduction Strategy. Improved access and efficient provision of savings, credit, and insurance facilities in particular can enable the poor to smoothen their consumption, manage their risks better, build their assets gradually, develop their micro-enterprises."

ADB's observations of an intimate link between microfinance and poverty reduction is extensively demonstrated in Bala Vikasa Integrated Women Development Program which at the grassroots focuses on savings, microcredit for income generating activities and insurance service for its members<sup>4</sup>. Bala Vikasa's women programs truly believe that microcredit is not all about just money!

<sup>2</sup> The Asian Development Bank uses the term « Social Intermediation » in acknowledging the importance of an holistic approach for microfinance. Ref. Asian Development Bank, *Finance for the Poor: Microfinance Development Strategy* , 2000, p.31.

<sup>3</sup> Asian Development Bank, *Finance for the Poor: Microfinance Development Strategy*, 2000, p.1

<sup>4</sup> It is to be noted that Raithu Vikasa Sangam, a subsidiary of BV, manages a loan program for its farmer cooperative members. These loans are used by small farmers to purchase seeds, fertilizers, etc.

The following table is indicative of the nexus between microfinance and poverty alleviation:

<b>Microfinance poverty reduction nexus<sup>5</sup></b>		
	<b>Results</b>	<b>Impact on poverty</b>
<b>Savings Facilities</b>	<ul style="list-style-type: none"> <li>• Increase financial savings</li> <li>• Improve income from savings</li> <li>• Enable consumption smoothening</li> <li>• Enhance ability to face external shock</li> <li>• Reduce need to borrow from money lenders at high interest rates</li> <li>• Enable purchase of productive assets</li> <li>• Reduce distress selling of assets</li> <li>• Improve allocation of resource</li> <li>• Increase economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce household vulnerability to risks / external shocks</li> <li>• Decrease volatility in household consumption</li> <li>• Increase income</li> <li>• Reduce severity of poverty</li> <li>• Assist achieve empowerment</li> <li>• Reduce social exclusion</li> </ul>
<b>Credit Facilities</b>	<ul style="list-style-type: none"> <li>• Enable taking advantage of profitable investment opportunities</li> <li>• Enable micro enterprises</li> <li>• Promote diversification of economic activities</li> <li>• Enable consumption smoothening</li> <li>• Promote risk taking</li> <li>• Reduce reliance on expensive informal financing</li> <li>• Enhance ability to face external shocks</li> <li>• Improve profitability of investments</li> <li>• Reduce distress selling of assets</li> <li>• Increase economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Provide higher income</li> <li>• Enable more diversified income sources</li> <li>• Decrease volatile income</li> <li>• Reduce volatility in household consumption</li> <li>• Enable better education for children</li> <li>• Reduce severity of poverty</li> <li>• Assist empowerment</li> <li>• Reduce social exclusion</li> </ul>
<b>Insurance Services</b>	<ul style="list-style-type: none"> <li>• Reduce risks and potential losses</li> <li>• Reduce distress selling of assets</li> <li>• Reduce impact of external shocks</li> <li>• Encourage education of children</li> </ul>	<ul style="list-style-type: none"> <li>• Provide better education for children</li> <li>• Reduce volatility in consumption</li> <li>• Increase security</li> </ul>
<b>Payments/ Money Transfer Services</b>	<ul style="list-style-type: none"> <li>• Facilitate trade and investments</li> </ul>	<ul style="list-style-type: none"> <li>• Provide greater income</li> <li>• Increase consumption</li> </ul>

<sup>5</sup> Asian Development Bank. Ibidem, p. 3

## Bala Vikasa and Microfinance

### Savings

Bala Vikasa has designed a **Simple Saving System (SSS)**. Accordingly, all savings are managed entirely by the women's groups. The group is



responsible for collecting the savings of its members, opening a bank account in the name of two members delegated by the group, being accountable for the collected savings, maintaining up-dated records, and for redistributing savings as loans to its members according to criteria set up by the group. In the SSS, women members use the capital built through their savings as rotating loans.

In some instances, as decided by the groups, each month, the savings amount collected is loaned to one member. Once each member of the group has benefited from a loan, a second round of loan begins. At that time, the interest accumulated in the first round is equally divided among the members of the group.

In other cases, the group savings are deposited in the bank and later on given as loan to the group members. In this case, the loan amount varies according to the needs of the borrower. There can be more than one beneficiary each month.

Bala Vikasa SSS has its own rules and code of conduct:

- To be eligible to the Simple Saving System, one has to become a member on payment of a membership fee of Rs. 5;
- Members have to regularly attend group meetings;
- Savings have to be regularly handed over at the meetings;
- All savings collected should be deposited in the bank and should not be kept by any one single group leader;
- The group has the right to decide on the frequency and the amount of money to be saved by group members.

Since the launching of the SSS, Bala Vikasa women have progressed remarkably. They have now reached a stage where saving has become part of their life. While in the past, group members rotated their savings mostly for consumption needs and for petty expenses, they have now graduated to purchasing more durable household items like bed, stove, steel cupboards, etc. and have thereby raised their standard of living. Occasionally, women get together to buy ensemble, household items. This increases their purchasing power as it fetches them larger discounts. In addition, group savings deposited in the bank, allow them access to formal banking facilities and make them eligible for personal banking loans.

### **Insurance scheme**

In 2000, Social Security Fund Scheme (SSFS) was incorporated into Bala Vikasa Integrated Women Development Program. Since then, several thousand BV group women have taken life insurance. Each member pays an annual premium of Rs. 100, while the life Insurance Company contributes another Rs. 100. The family of the insured member is entitled to receive Rs. 50,000 in case of a fatal accident, and Rs.10,000 for natural death. Insurance coverage also includes loss of limbs.

Bala Vikasa's efforts and the Insurance agency's cooperation have recently helped ensure that SSFS also covers the education of one child in each family. Children studying in grades 9 to12 are eligible for this scholarship.

### **Microcredit: Vikasa loans**

Bala Vikasa Integrated Women Development Program has been providing microcredit to its women members since 1995. The total number of Bala Vikasa women who have received loans for income generating activities, including women in the groups which have been handed over to partner organizations in 2000 and are now functioning under the umbrella of Bala Vikasa FORWARD<sup>6</sup>, is approximately 1,00,000 women.

The following table gives statistical data from 1995, without the women being regrouped under BV FORWARD. "Rotational loans" refer to re-paid loan amounts plus interest money, which is further pooled back to provide additional loans.

<b>BV Integrated Women Development Program activity from 1995-December 2004</b>		
<b>Year</b>	<b>Rotational Loans in Rs.</b>	<b>Number of Beneficiaries</b>
1995-1996	16,12,150	580
1996-1997	1,21,20,835	3906
1997-1998	43,98,094	942
1998-1999	2,40,18,000	5725
1999-2000	4,05,64,000	3904
2000-2001	6,23,33,500	12501
2001-2002	7,72,60,000	13881
2002-2003	7,07,83,500	12160
2003-2004	7,08,30,000	12555
2004-2005 (Dec. 2004)	5,86,20,500	10939
<b>Total</b>	<b>42,25,40,579</b>	<b>77093</b>

<sup>6</sup> BV FORWARD is a forum of partner organizations which, after being trained for several years by Bala Vikasa, are now fully responsible for the management of what was BV women program in their areas.

Vikasa loans are solely used by BV women for income generating purposes. Until now, 135 different varieties of income generating projects have been identified and financed through loans. Among these economic activities, the most popular have been setting up of Kangan and Kirana shops (petty shops) selling fruits, vegetables, small household articles, groceries, firewood, cloth, ready made garments and fancy items for women's wear. Poultry shops have been equally popular. Loans for the purchase of buffaloes, sheep and goats have also been availed of frequently. Loans to manufacture soap, garments,

leaf plates, mats, bangles have also helped generate good revenue.

The amount provided through Vikasa loans to individuals generally ranges between Rs.1000 to 5000. In the case of a few well established earlier groups, with excellent reimbursement records, loan amounts have been increased up to Rs.10,000. In 2003, on an experimental basis, larger loans of Rs. 20,000 to 50,000 were given to 14 promising entrepreneurs.

The following table shows the results obtained by the big loan beneficiaries, after one year.

<b>Data on Vikasa big loan (Rs 20,000-50,000): 2003-2004</b>								
Loan Borrower <sup>7</sup>	Type of business	Loan in Rupees	Value of Business		Monthly Income		Employees	
			Before	After	Before	After	Before	After
A	Tailor shop	30000	50000	75000	2000	2500	1	1
B	Hotel & Kirana shop	50000	10000	20000	1500	2500	2	3
C	Kangan & tailoring shop	30000	20000	30000	1000	1500	1	1
D	Beedi factory	40000	100000	150000	15000	20000	50	150
E	Oil extracting business	50000	200000	250000	30000	45000	8	10
F	Tailor shop	30000	15000	25000	2000	3000	3	3
G	Hotel & Kirana shop	20000	20000	35000	3500	5000	2	3
H	"Swagraha" Sweets Shop	50000	50000	80000	2000	5000	2	3
I	Kirana shop	30000	35000	45000	2500	4500	2	3
J	Kirana shop	30000	25000	45000	1000	1500	2	2
K	Kirana & Tailor shop	50000	35000	100000	1500	2000	2	10
L	Kirana shop	20000	10000	15000	1100	1500	1	1
M	Kirana & Tailor shop	50000	10000	30000	1500	3500	1	2
N	Kirana & Grindingshop	50000	15000	30000	1500	3200	1	2

<sup>7</sup> To respect the confidentiality of the borrowers, their names have been omitted.

## Criteria/rules and regulations for eligibility of Vikasa loans

### *A woman must:*

1. Be a member of Bala Vikasa Integrated Women Development Program for a minimum of one year.
2. Have regularly attended 12 Vikasa day meetings.
3. Be able to sign her name (BV conducts adult literacy training program) on loan applications and promissory notes.
4. Use the loan for income generating activities.
5. Have a sponsor who will vouch for her on the loan promissory note.
6. Be present in person when applying for a loan at the designated time and place.
7. Bring her BV pass book with her photo in it.
8. Sign a promissory note agreeing to pay the loan in ten equal instalments starting the month after.

## Mechanisms for disbursement and retrieval of loans

- Only women who attend Vikasa Day meeting are eligible for loans;
- Eligibility for a second loan is based on the full repayment of the previous loan;
- Non-payment of dues by any one woman in a group will make other

groups in the same village ineligible for loans until the non-payer fully reimburses her dues;

- Non-payment of dues by some group members in any one Area (several BV villages constitute an Area) will temporarily halt disbursement of Vikasa loans until the entire loan amount is recovered from defaulters in that Area.

These group pressure measures have resulted in good re-payments of loans, with a success rate of 97% to 98%.

## Management of Vikasa loans

### *Area Coordinators as Managers and Agents of Change*

In each of its Areas, Bala Vikasa Integrated Women Development Program has a staff of three Area Coordinators (AC). They ensure:

1. BV women are well informed about the Vikasa loan rules and regulations.
2. The rules and regulations are followed by the woman applying for a Vikasa loan.
3. The borrower is honest and an active participant in all BV development activities.
4. A one year gap between the last loan received by the borrower and her next loan is maintained.
5. The loan applied for an income generating activity will be utilized by

the woman and her family, and not only by her husband, and it can be managed within the requested amount.

6. The promissory note and the application is co-signed by the Area Coordinators.
7. The women are reminded about the time and place of the next monthly Vikasa meeting.
8. House visits are made to assess the income generating activity financed by the Vikasa loan, and, if needed, to advise the borrower.
9. The repayments on the loans are unfailingly collected on time only during Vikasa day meetings and in the presence of all group members, financial transactions take place openly.
10. The amount collected is immediately deposited in the Bank. All due amounts are followed up and collected by the Area Coordinators acting as a team.
11. Record of each loan is updated as per Bala Vikasa system and submitted to Bala Vikasa.

The Area team meets with each group at least once a month. During these meetings, focus is on activities where women receive training in different aspects of community development: environment, water management, primary health, etc., while simultaneously savings and loans are collected and disbursed. Women are

motivated to read and write and to take interest in their community development through democratic actions and solidarity. The Area Coordinators act as agents of change within BV women groups and help achieve the ultimate objectives of BV Integrated Women Development Program by inculcating a change in attitudes, inducing a sense of self-worth, and nurturing a desire to become self-reliant.

On a monthly basis, at least ten times a year, the Area Coordinators congregate at BV People Development Training Centre for a duration of three days. During this period, they receive intense training to assist them become effective agents of change in their respective Areas. In addition, iterative sessions are conducted to analyse their inputs and outcomes and follow up actions are recommended to bring about effective changes.

### **BV Staff: The Crucial Link**

Once a month, women staff members from the head office of BV visit all the 56 women program Areas. They interact with the Field Coordinators and the women in various groups to ensure that Bala Vikasa saving and loan systems are being appropriately followed. These field visits also help in assisting and advising the Area team in other development activities. This process of interaction and coordination between the Headquarters and the Field on a monthly basis forms a crucial link, as the feedback enables BV to be in the know of what is happening

at the grassroots level and also be updated with information of all its women groups. Correspondingly, it makes it possible for BV to take prompt remedial actions, if required. In addition, it also helps to maintain updated records at the head office, for BV to avail of the consolidated results of its activities, at any point of time.

### Impact of Vikasa loan activity

Consistent with studies conducted by the Grameen Bank in Bangladesh which demonstrate that 11 percent of their borrowers successfully lifted their families out of poverty within four years of participation<sup>8</sup>, and extreme poverty declined from 33 percent to 10 percent among the beneficiaries, Bala Vikasa assessment of its Vikasa loan activity similarly reflects a positive impact on specific socio-economic variables, such as children's schooling, household nutrition status, and women's pivotal role in uplifting their families from the tangle of poverty.

Since one of the aims of Bala Vikasa Integrated Development Program is to act as a catalyst in bringing about attitudinal changes among its women members, and through them their families and communities they live in, Vikasa loan activity has become a mechanism to achieve its objective. Bala Vikasa's Microfinance has not only provided an entry point to holistic community development, it has also acted as a gateway to a long process of empowerment of women within the

inner circle of their family and beyond, making them full fledged participants in the development of their communities.

### Challenges of the present day

#### *Microfinance: Just Money, versus Microfinance: Integral Part of Development Programs*

Microfinance has become the new buzz word among Donors, Finance Agencies and Institutions, NGOs and others. A new order where microfinance means just money, devoid of any developmental dimensions, has become a challenge to the sustainable order wherein microfinance has been and will continue to be an integral part of holistic human development.

In the present scenario, agencies and organizations are often competing with one another in a number game, where 'recruiting' women, and forming Self Help Groups, to meet the targets and win incentives, seem to be the sole aim of microfinance, than facilitating the poor to have linkages with formal banking system and fulfilling their mandate of reducing poverty.

Evaluations of such organizations have sadly revealed that they are ill-equipped to manage microfinance. While some join the ranks of self-serving NGOs whose main objective is survival, there is a trend for others to transform themselves into lucrative Micro Financing Institutions (MFIs). Several MFIs primarily set up to service the poor, are slowly abandoning

<sup>8</sup> Khandar, S.R. 1998. in *Fighting Poverty with Microcredit: Experience Bangladesh*. New York: Oxford University Press as referred in ADB, *Finance for the Poor, Microfinance Development Strategy*, 2000,p.4

their mission. In the process, the real poor are neglected for the benefit of a less risky clientele, who can advance collateral and require bigger loans thus guaranteeing profitable commissions to professional collectors.

This dichotomy at the grassroots is having disastrous effects on the rural poor. A decade ago, very few micro-entrepreneurs had access to institutional source of credit. Currently, rural people are well aware of the large variety of microfinance providers and the terms offered, which allows them to be selective. As most of them are mere providers of money for interest, it has reduced microfinance into a mere money business devoid of any co-relation to development.

Bala Vikasa is aware of these pitfalls and the challenges posed.

### **Bala Vikasa's resolution**

In 2005, the International Year of Microcredit, Bala Vikasa will continue to give impetus to microcredit through its own unique model. Bala Viksa will further strive to effectively respond to the United Nation's call to reduce poverty by 2015. Its effective and systematic management of savings and microcredit, based on an integrated development approach, may help other organizations similarly involved in the eradication of poverty and in social and human development. Bala Vikasa resolves to continue fulfilling its development mandate encouraged by BV women, who

have preferred Vikasa loan to other alternatives as it has been a launching pad to their overall development, and by the other women who have returned to the BV fold declaring: ***“Being active members of BV we were better human beings and better citizens with a feeling of belonging and solidarity.”***

What more can be our inspiration?

# Section Two



## 25 Microcredit Case Studies



## **BV Women Entrepreneurs: Introduction**

From time immemorial, women have worked hand-in-hand to contribute to the economic welfare of their families. Presently, they are working together and independently, tapping their inherent or acquired skills, to generate income to improve the socio-economic status of their families. Unlike in the past, today they have diverse activities to choose from, suitable to their needs, capacities, and environment. Microcredit has provided the means to economic progress, but it is the over-all self development of the women that has enabled them to become successful entrepreneurs and sustain their efforts at reducing poverty.

The 25 case studies that follow, clearly indicate that microcredit is not all just money. The common feature that has occurred in the lives of the women has been CHANGE. However, the degree of change that has affected the lives of the entrepreneurs has varied depending on the woman's own potential, self-confidence, family situation, financial capacity, capability to manage

finances, cooperation of her family members and community, etc. These personal variants have made each woman entrepreneur unique. What is appreciable, however, is that a small loan through microcredit has been able to make a big difference to the overall lives of the women and their families, as Bala Vikasa's training programs have been the driving force to draw out the dormant yet extraordinary potential of these ordinary women.

Bala Vikasa has helped the women to face the reality of poverty with courage, and has inspired in them a burning desire to alleviate it through self help, even at the cost of breaking social norms. The process has enabled women to evolve and acquire new talents. In short, it has empowered them to leave the confines of their homes, study the market potential, procure raw material, network to form business linkages to market their products, and to eventually become successful entrepreneurs. The true stories of these 25 women, taken as samples, speak for the economic, social and personal transformations of the women entrepreneurs.

## Case Studies

### 1. The Tent House Owner

- Gone Kusuma



Gone Kusuma exudes an air of confidence as she sits in her shop surrounded by utensils, stacked up chairs and rolled out carpets. She attends to phone calls, takes orders from various customers for supply of tents, and other items required for marriages and other occasions, and simultaneously supervises two young men loading and unloading goods from a rickshaw. Her shop buzzes with activity which reflects her successful entrepreneurship.

<b>Name/Age</b>	: <b>Gone Kusuma, 41 yrs.</b>
<b>Native of</b>	: Jagadgirigutta, Sanathnagar, Hyderabad.
<b>Family Background</b>	: Husband a plumber, works on contract basis. She and her husband have just basic education. Three children in school.
<b>Driving Force</b>	:
<b>Circumstances</b>	: Husband's insufficient earnings could not provide for the family's welfare, especially the education of her children.
<b>Bala Vikasa</b>	: Became a member of Bala Vikasa in 1999 and learnt the benefits of saving. Bala Vikasa's monthly training program changed her attitude and her outlook towards life. It helped her interact more freely with people, value time and utilize it more effectively. Overall, it inculcated in her a desire to change her circumstances. It instilled confidence and the realization that she could change her life for the better if she tried. In her own words: "Monthly training received through Bala Vikasa helped me come up in life."
<b>Initial IG Activity</b>	: Started the tent hiring business 10 years ago with Rs.75,000 of which, Rs. 50,000 was a loan which was repaid within 18 months from the profit accrued.

**Enterprise with Microcredit**



: Took a loan of Rs.5000 from BV to purchase additional material to rent out.

Her second loan of Rs.10,000 helped buy a rickshaw to transport the material to the clients' premises.

From a third loan of Rs.10,000 she purchased more chairs and tables, utensils etc.

Employs two young men, one for Rs.2000/- and his assistant for Rs. 1000/-.

Pays a rent of Rs. 750 /-per month for the shop where she stores her material.

**Benefits Accrued** : The income from the tent shop improved her family's quality of life.

It enabled her children to receive good education.

Provided employment to two locals.

**Daily Schedule** : Morning hours: household work, prepares children for school.

From 8.30 a.m. to 9.00 p.m. – at the shop.

After 9.00 p.m. – household chores.

Husband supervises children's studies and cooks the evening meal.

**Income** :

**Before microcredit** Totally dependent on the sole income of her husband, which amounted to Rs.3000/- per month.

**After microcredit** The enterprise brings her a net profit of Rs.5000/- per month.

Earns Rs. 25,000 - 30,000 during the period of the local festival.

**Future Plans** : To expand business in order to earn more as her priority is to ensure quality and higher education for her children.

## 2. Leaf Plate Maker

- Y. Mary Jayanthi



After struggling to overcome her poverty through manufacturing of washing soap, without proper technical knowledge and incurring heavy losses, selling of sarees on installments and failing again due to lack of business acumen, Mary started manufacturing leaf plates with the help of Bala Vikasa. Fortunately she succeeded in her first venture of manufacturing leaf plates. Ever since, she has continued to gradually prosper and her two Leaf Plate making machines and 6 women employees highlight her degree of success.

<b>Name/Age</b>	: Y. Mary Jayanthi, 43 yrs.
<b>Native of</b>	: Jagadgirigutta, Sanathnagar, Hyderabad.
<b>Family Background</b>	: She and her husband are from educated families. Both worked in a private company. Has three children. Elder son is married and the other two are studying.
<b>Driving Force</b>	:
<b>Circumstances</b>	: Salary of both was not sufficient to lead a healthy life.
<b>Bala Vikasa</b>	: She joined Bala Vikasa in 1996. Became a group leader and encouraged others to participate in all the activities of Bala Vikasa. She attended BV meetings regularly and learned many things which provided an impetus to improve her financial status. She declares: "Bala Vikasa has helped my life bloom through the enterprise of leaf plate manufacture."
<b>Initial IG Activity</b>	: During her free time she did embroidery on sarees to earn extra money.

**Enterprise with Microcredit**



: First loan of Rs. 5000 was taken from BV to manufacture washing soap, which failed due to lack of technical know-how.

Second loan was for saree business. Sold in installments and failed to make a profit, as she did not know how to rotate the finance.

Third loan of Rs. 10,000 helped purchase a leaf plate making machine.

Her determination finally helped her succeed.

Encouraged by her success, a fourth loan was taken to purchase a second leaf making machine.

Employs seven women and pays a daily wage of Rs. 24-30.

It is a family enterprise. Mary takes care of production, her husband the marketing by selling the leaf plates directly to the retailers.

Procures raw leaf from Barampur in bulk at a cost of Rs.90,000 per lorry load. This requires huge investment.

With two machines she produces around 2000 leaf plates per day with the help of six employees.

**Benefits Accrued**

: Significant improvement of her economic condition.

Family is fully self-reliant and happy.

**Equipment Purchased:** Leaf plate making machines.

**Income**

:

*Before microcredit*

The family of six subsisted on the meager double income of the couple amounting to Rs. 4000/-.

*After microcredit*

The enterprise doubled the income of the family to Rs. 8000/- per month.

**Future Plans**

: To buy a third machine to increase production and meet growing demands.

### 3. Tailor Shop Proprietor

- Rajeshwari



By caste and tradition she belonged to a family of tailors. She had learnt tailoring before her marriage . Yet for many years she worked as an agricultural daily wage earner. When her husband started a tailor shop she joined him and started her enterprise as a ladies tailor.

**Name/Age** : Rajeswari, 25 yrs.

**Native of** : Yeswanthapur, Jangoan Area, Warangal.

**Family Background:** Her husband was employed as a tailor for more than 11 years while she earned a meager amount as a daily wage earner and by rolling beedis in her free time.

They both decided to become self employed and worked hard running a tailor shop.

Has two children in school.

**Driving Force :**

**Self- dependency** Desire to work independently rather than work for someone else.

To utilize her traditional skills and start an independent enterprise.

**Bala Vikasa** Joined Bala Vikasa in 2000 and regularly attended the monthly meetings.

Participated in all the developmental activities.

Had the opportunity to teach Telugu to 15 mahilas (women's groups).

Bala Vikasa motivated her to help the poor.

Monthly meetings inculcated in her a strong desire to become self-reliant.

In her own words : "When I was a member of another SHG, only money matters were discussed. But as Bala Vikasa member, I learnt much more. I have acquired a sense of pride in what I am doing with the loans."

**Initial IG activity** : Rolling beedis.

**Enterprise with Microcredit**



: First loan from BV helped purchase 2 sewing machines.

Second loan was invested in saree business and for purchase of other garments.

Loan from a finance company helped buy a refrigerator to enhance sale of cold soft drinks.

Invested Rs. 70,000 on building a house cum shop on a plot near the main road with the help of a loan of Rs.30, 000 from a finance company.

Shifted the house cum shop from the village to the main road which increased customers.

With her specialization in tailoring ladies' garments and her husband in gents' clothes, her shop attracts both ladies and gents.

**Diversified Activities:** Sells sarees and has a Kangan counter in the same shop, selling fashion accessories like bangles, and cosmetics. Also sells cold drinks, snacks, etc.

**Benefits Accrued** : With the profit, a house has been constructed which fetches a regular rent of Rs. 250/- per month.  
Rent helps repay loans taken from finance companies and Bala Vikasa.

**Daily Schedule** : Before children leave for school and on their return in the evening she is busy with housework.  
While the children are in school she works in her shop stitching garments and selling other items in the shop.

**Equipment Acquired** : Sewing machines, cupboards, and refrigerator.

**Income** :

**Before microcredit** Total income amounted to Rs.3000 to 4000 per month.

**After microcredit** After shifting the house cum shop to the main road, income increased to Rs.6000 to 7000 per month.

**Future Plans** : To invest more on the shop as there is scope to increase business.

## 4. The Vegetable Vendor

- Yadamma



Micro-finance has dramatically changed the life of Yadamma and her family. Her vegetable business and petty shop have flourished. She has acquired a sense of just pride and happiness at the success of her own enterprise which has alleviated her poverty stricken condition.

<b>Name/Age</b>	: Yadamma, 40 yrs.
<b>Native of</b>	: Yaswanthpur, Jangoan, Warangal.
<b>Family Background:</b>	Husband works in a cinema theater as a attendant for a salary of Rs. 800 per month. Yadamma had worked as a farm labourer before starting the new venture of selling vegetables. Has three children—eldest son works as a mechanic. Second son failed in 12th grade and is helping her in her enterprise. Youngest daughter is in school.
<b>Driving Force</b>	:
<b>Circumstances</b>	Extreme poverty motivated her to look for an alternative to earn extra money to support herself and her family.
<b>Bala Vikasa</b>	Joined Bala Vikasa in 1998. The monthly training sessions at Bala Vikasa provided an opportunity to share problems and find viable solutions. She gained self confidence. She proudly says, "I was very poor before Bala Vikasa came into my life. But through Bala Vikasa loans and through encouragement received I boldly started a new venture which has helped me come out of deprivation and hardship. We are now earning enough and living happily."

**Enterprise with Microcredit**

: First loan of Rs. 5000 went towards purchasing of a small tinned roof shop and vegetables.

Second loan facilitated selling vegetables on credit to regular customers which helped increase business.

She purchases vegetables in the wholesale market in the near by town of Jangoan.

Her daily sales is approximately Rs. 400.

Her net profit is Rs. 50 per day.

**Diversified Activities:** Every year she takes fruit gardens on lease.

**Daily Schedule** : Wakes up at 4.30 a.m. and completes her household chores.

From 6-10 a.m. and 4-8 p.m. she is at the shop selling vegetables.

**Income** :

**Before microcredit** Total income brought home by husband, son as a mechanic, and Yadamma as a coolie was only Rs. 1900/- per month.

**After microcredit** Income has increased to Rs.3500 per month and she has successfully celebrated the marriage of her son and daughter.

**Future Plans** : To increase the size of the shop and expand business.



## 5. The Poultry Shop Owner

- Rama



Rama belonged to a family who were traditionally dhobis. At a point of time when they could no longer sustain the family with their traditional work, without any education, the only business they found easy to manage in order to support the family was to sell chicken. With Bala Vikasa's microcredit she ventured into a new enterprise and a new life.

**Name/Age** : Rama, 32 yrs.

**Native of** : Yaswanthpur, Jangoan, Warangal.

**Family Background** : Followed the traditional work of the family, that of being a dhobhi and washing clothes for the villagers.

She and her husband are illiterate.

They were very poor and led a very hard life.

To earn more she worked as a farm labourer.

Has three children in school.

**Driving Force** :

**Circumstances** Extreme poverty and poor health of her husband which prevents him from doing heavy work.

**Bala Vikasa** Joined Bala Vikasa in 1998.

Became more aware and worldly wise.

Interacted with a lot of people through Bala Vikasa.

She remarks: "Although our traditional `Dhobi' job has stood us in good stead, it is the loans from Bala Vikasa that have uplifted us economically and socially."

**Enterprise with Microcredit**

: First loan from BV of Rs.5000 helped purchase an iron box and a table.

The second loan of Rs. 5000 helped start the poultry shop.

She washes and irons clothes of the Engineering College students.

Earns Rs.50 per day.

Supplies chicken to hotels, villagers and hostels to augment her income.

Profit amounts to Rs. 20-30 on week days and Rs. 150 on Sundays.

**Benefits Accrued** : Her financial status has improved and the family is now economically better placed.

In a position to take care of her husband's health.

**Income** :

**Before microcredit** The family income of Rs.1500 per month was not sufficient to sustain five family members. Life was a perpetual struggle.

**After microcredit** Income has increased to over Rs.3000 per month as Rama and her husband continue with their traditional occupation and simultaneously look after their new poultry business.

**Future Plans** : To improve her poultry shop.



## 6. The Milk Vendor

-Tallapelli Laxmi



Mrs. Tallapelli Laxmi was like all other rural women, steeped in poverty. Through sheer determination, hard work and patience she has single handedly uplifted her family from below poverty line to a state of comfort. By rearing buffaloes and selling milk, she has improved the finances of

her family. Her dynamism and prudence have made her a role model for many poor rural women.

**Name/Age** : Tallapelli Laxmi, 40 yrs.

**Native of** : Yaswanthapur, Jangoan, Warangal.

**Family Background:** Husband works in the railways earning Rs.3000 per month.

She worked as a daily-wage farm labourer before starting her enterprise.

Has four daughters and two sons. Two daughters are married and two are in school.

Owns one acre of land.

**Driving Force** :

**Welfare of children** To provide a better life for her children.

**Bala Vikasa** She joined Bala Vikasa in 1998.

Has been a group leader from the beginning.

Was a very timid person before joining BV, but has now built a lot of confidence.

Sensitive to people poorer than her and considers it a privilege to help them.

## Enterprise with Microcredit



: First loan of Rs. 5000 purchased a buffalo.  
Second loan Rs. 5,000 helped buy another buffalo.  
Has four buffaloes and three calves.  
Sells 12 litres of milk daily at Rs 10 per litre.  
Makes a net profit of Rs. 1500/- per month.  
Grazes buffaloes herself, as she prefers to be self-reliant.  
Sells off non-productive buffaloes and buys milch ones.  
She quips: " I take care of the buffaloes and they take care of me!"

**Benefits Accrued** : Through hard work she has improved her economic condition.  
Increase in income and a loan from the railways has enabled her to construct a new house.

**Diversified Activities** : She manages a Chit Fund.

**Daily Schedule** : Wakes up at 3 a.m. to attend to her household chores.  
Husband goes to work at 6 a.m. and returns only at 9 p.m.  
She walks 3 Kms daily to sell milk in Janagoan market.  
During the day she grazes her buffaloes herself.

**Income** :

**Before microcredit** Total income earned by her husband, her coolie work and milk from one buffalo was around Rs.4000 per month.

**After microcredit** With more buffaloes, the total income varies between Rs. 6000-7000 per month.

**Future Plans** : To buy a few more buffaloes to increase her income but not to run a dairy farm as she thinks it would be very expensive and risky.

## 7. The Kangan Shop Proprietor

- Padma



Padma has been an entrepreneur for the last 8 years. She started a small enterprise with Rs. 2000 as a tailor. Today, she has diversified her activities after investing Rs.70,000. She now has a Kangan hall, a cool drinks outlet, cut piece shop, and a PCO with one telephone.

<b>Name/Age</b>	: Padma, 35 yrs.
<b>Native of</b>	: Ambedkarnagar, Jangoan, Warangal.
<b>Family background</b>	: Her husband has studied up to 10 <sup>th</sup> class and works as a tailor. She also did some tailoring work to augment income. Three children - studying in Jangoan school.
<b>Driving Force</b>	:
<b>Self Dignity</b>	: Desire to provide good education for her children and live a dignified life.
<b>Bala Vikasa</b>	: Joined Bala Vikasa in 1998. Has been a group leader from the time she joined. Gained a lot of knowledge from the monthly trainings. Found the repayment of Vikasa loans in 10 installments an easy pay back system. She says: "Bala Vikasa's motto 'To help others to help themselves' motivated me to start my own business as well as help others poorer than me. It also taught me that to be a successful entrepreneur it requires: 1. Patience 2. Detailed knowledge of all items being sold in the shop 3. Good inter-personal communication skills 4. Ability to rotate finance 5. Quality and prompt delivery of goods."
<b>Initial IG Activity</b>	: Her husband bought a sewing machine in 1994. She earned small amounts through tailoring.

**Enterprise with Microcredit**



: First loan of Rs. 2000 from LMPSSS helped purchase cut pieces to sell at her tailoring shop. Second loan from LMPSSS went towards purchase of material to be sold at her shop. Through the first loan of Rs. 5000 from BV she purchased 2 sewing machines. With the second loan from BV she added a kangan counter, selling fancy goods for ladies – bangles, cosmetics, etc. Shifted to the main road and rented a shop. Her husband helps her in the tailoring shop. Employs two others as salesmen in her kangan shop one on daily wages and another on monthly salary.

**Benefits Accrued** : Diverse business enterprise has attracted more customers and increased income. Family's needs are being comfortably met. Children are receiving good education. Provides employment to two local people.

**Diversified Activities:** Started a PCO and soft drinks section. Teaches tailoring to the village girls and women and has helped eight of them to earn.

**Income :**

**Before microcredit** The income in the beginning was around Rs.3500 per month.

**After microcredit** The present income is about Rs.6000 to 7000 per month.

**Future Plans** : To equip her kangan shop with many more items which would attract young girls and women. To purchase a refrigerator to sell cold soft drinks.



## 8. Kirana Shop Owner

- Gangiseti Annapurna



After years of struggle, Gangiseti decided to start a venture of her own. She started by selling vegetables and soon bought a shop and included in it various other items. Her quick transition from below poverty line to hard-won betterment, gained her the respect of the people. Her self-reliance provided her a certain dignity .

<b>Name/Age</b>	: Gangiseti Annapurna, 38 yrs.
<b>Native of</b>	: Sanjaynagar, Jangoan Area, Warangal.
<b>Family Background</b>	Husband works in a timber depot for Rs. 2800 per month. Two children are in school.
<b>Driving Force</b>	:
<b>Circumstances</b>	Insufficient means to feed four mouths with one person's salary. Desire to be self-reliant.
<b>Bala Vikasa</b>	Joined Bala Vikasa in 1998. From attending SHG meetings she gained courage and self confidence. Learnt the value of saving. Bala Vikasa's motivation helped her become an entrepreneur and made her self reliant. She showed determination and sincerity of purpose and appreciated continued support and guidance of BV. She says: "After joining Bala Vikasa my life has changed. I am now respected and I lead a dignified life."
<b>Initial IG Activity</b>	: To earn a little extra money she started a vegetable shop.

**Enterprise with Microcredit**

: With a loan of Rs. 5000 from Bala Vikasa, she expanded and furnished the shop and sold grocery and other miscellaneous items.

Did good business as hers was the only shop in that area.

Second loan helped stock more items.

Family now leads a dignified life.

Good returns from her venture has helped save for the future.

**Diversified Activities:** Profit enabled purchase and own a shop.

Bought a refrigerator and started a cold drinks section.

Does sari work in her free time.

**Income :**

**Before microcredit** Her husband's salary and income from the shop amounted to Rs.3500 per month.

**After microcredit** Income increased to Rs. 6000 to 7000 per month.

Her assets are the shop and the refrigerator.

Has savings.

**Future Plans :** To equip the shop with other saleable goods to attract more customers and improve.



## 9. Proprietor of a Multipurpose Shop

- Andalu



Andalu valued two very important lessons she learnt as a Bala Vikasa woman. Firstly, that any one who values time will find time for self improvement, and secondly, that any one who strives to save would value every penny earned. These values imbibed made her a successful entrepreneur.

**Name/Age** : Andalu, 30 yrs.

**Native of** : Darmakancha, Jangoan, Warangal.

**Family Background** : Her husband is a tailor with 25 years experience.

Has a shop, in which he works from 9 a.m. to 9 p.m. and earns Rs. 3000 per month.

She has five children – one daughter is married and the others are studying.

They do not own ancestral property nor lands.

**Driving Force** :

**Poverty** : Insufficient income for the sustenance of the family and for children's education.

**Bala Vikasa** : Seeing the difference Bala Vikasa was making in the lives of others, she joined BV in 1998.

Monthly meetings with BV staff and other members helped build her capacity and gave her self-confidence.

Through BV she found a solution to her poverty.

In her own words: "In Bala Vikasa I learnt the value of education and savings and understood the value of time."

**Initial IG Activity** : She earned about Rs. 1000 by rolling bidis and selling vegetables.

**Enterprise with Microcredit**

: First loan of Rs.5000 from BV, together with her savings, helped purchase a refrigerator to sell cold drinks and start a kirana counter in a rented premises.

Second loan of Rs.5000 went towards purchasing a small shop and procuring a telephone.

**Benefits Accrued**

: They are able to maintain the family with the present business.

She has repaid all loans and has no debts.

She has gained more respect within the family.

She and her husband jointly take decisions on family and business matters.

**Daily Schedule**

: She works from 5 a.m. to 11 p.m.

**Income**

:

***Before microcredit***

The income was only about Rs.4000 per month.

***After microcredit***

Profit from her multi-purpose shop, selling vegetables, cold drinks, running a kirana counter and a PCO amounts to over Rs.6000 per month.

**Future Plans**

: To further diversify with a larger loan from Bala Vikasa as she is confident to improve business and repay the loan.



## 10. Footwear Trader

- Shoba



Shoba, along with her husband has been involved in their traditional occupation of making footwear . She has the skills to satisfy her customers but receiving payment in installments has affected her business. She is however confident that more credit would help her tide over her problems and sustain her business.

<b>Name/Age</b>	: Shoba, 27 yrs.
<b>Native of</b>	: Darmakancha, Jangoan, Warangal.
<b>Family Background</b>	: Has two daughters in school.  Both she and her husband jointly produce footwear, their ancestral family business.
<b>Driving Force</b>	:
<b>Better life for children</b>	To ensure her children are not illiterate like her depending only on ancestral footwear business for survival.
<b>Bala Vikasa</b>	Joined Bala Vikasa in 1999.  Has gained confidence through BV training and is happy she can talk in public.  Opportunity to interact with other BV women has improved her outlook to life and her capacity to think for herself.  Has learnt the value of solidarity and is keen to follow BV example and help the poorest of the poor.  She says with conviction: "I have improved my thinking and reasoning powers."

**Enterprise with Microcredit**

: First loan of Rs. 2000 from BV facilitated the production of 25 pairs of footwear.

Second loan of Rs. 5000 again from BV helped in manufacturing more footwear.

They manufacture 'made to order' footwear as specified by their retail outlets.

They purchase raw material from Hyderabad.

Learn new designs as per clients' specifications.

Make a profit of Rs. 20-30 on each footwear.

**Benefits Accrued** : The family is able to survive on the business enhanced through BV loans.

**Daily schedule** : Both work from 8 a.m. to 10 p.m.

**Constraints** : Clients (shops) do not make prompt and full payments.

Travel to Hyderabad to buy raw material and procure new designs add to their expenses.

**Income** :

*Before microcredit* Income was only Rs.2000 per month.

*After microcredit* Income has increased to Rs.4000 per month.

**Future Plans** : To increase business through a larger loan from Bala Vikasa.

To widen their network and purchase a shop to sell their footwear from their own shop.



## 11. Shoes & Chappals Producer

- Sandya



Sandya, through her dynamism and intelligence, has become a successful entrepreneur. She works tirelessly from morning till evening. After attending to her children, she is engaged in selling rubber sheets from her home.

**Name/Age** : Sandya, 32 yrs.

**Native of** : Darmakancha, Jangoan, Warangal.

**Family Background:** Husband fully involved in the family's ancestral business of making foot wear.

She sells rubber sheets used in the manufacture of soles of chappals and shoes.

Has three children in school.

**Driving Force**

**Caste Constraints** Skilled in only the caste based and traditional chappal and shoemaking business, it was insufficient for investing on quality and quantity.

**Bala Vikasa** : She joined Bala Vikasa in 1998.

Actively and happily participated in all Bala Vikasa women's meetings, where, irrespective of caste, all were considered equal, and equal opportunities for self-improvement were provided to all.

With the stimulus provided by Bala Vikasa she was able to utilize her loan properly.

She declares: "Bala Vikasa, helped me not only to stabilize my business but also diversify and earn more. It also helped me overcome social barriers."

**Business with Microcredit**

: First loan of Rs. 5000 helped manufacture chappals.

Footwear was made and sold to retail shops.

Second loan of Rs.5000, together with their savings, helped start business with an investment of Rs.70000 in a rented place.

Bought shoes from various places and sold them in their rented shop.

50 to 60 rubber sheets are sold from home.

**Daily Schedule**

: Attends to her children in the mornings and evenings.

During her free time she sells rubber sheets from home.

Looks after the shop during husband's lunch time.

**Income**

:

***Before microcredit***

Family subsisted on an income of Rs.2200 per month.

***After microcredit***

Income increased to Rs.6500 through making chappals.

The rented shop provided an outlet to sell shoes and chappals brought from other cities.

Buying and selling of rubber sheets to manufacturers of shoes and chappal increased income.

**Future Plans**

: To take a larger loan from BV to start a workshop of their own.

To upgrade their skills in manufacturing fancy foot wear.



## 12. Farmer Turned Milk Woman

- **Bemberu Padma**



Due to drought and subsequent poor returns from the three acres of agricultural land, Padma looked for an alternative livelihood. With easy repayment of Bala Vikasa loans, she started a new venture, that of selling buffalo milk. What her land failed to help sustain, her buffaloes did.

<b>Name/Age</b>	: <b>Bemberu Padma, 48 yrs.</b>
<b>Native of</b>	: Konaimakula, Ookal, Warangal.
<b>Family Background</b>	Both she and her husband are from agricultural families. They own three acres of agricultural land. Had one buffalo which helped sell 3 litres of milk daily. She has four children in school.
<b>Driving Force</b>	:
<b>Drought</b>	Drought affected cultivation and caused acute problems and extensive financial loss.
<b>Bala Vikasa</b>	Joined Bala Vikasa in 1996 and became a group leader. She realized the value of children's education. Her leadership qualities gave her the ability to solve others' problems and seek solutions to her own. Through BV she learnt about microcredit and its advantages and determined to try her hand at a new skill. Attending BV meetings instilled in her a positive outlook despite her losses. She remarks: "As a leader of a Bala Vikasa group, I learnt not only to solve my problem but that of other women as well."

**Enterprise with Microcredit**

: First loan of Rs. 5000 purchased one buffalo. Two more loans helped buy two more buffaloes. She now has 10 buffaloes, of which only 4 are giving milk. Daily she sells about 12 litres at Rs. 12 per litre. She has hired one person to assist.

**Benefits Accrued**

: She is able to send the children to good schools as she can afford the fees. The shift in occupation became a gainful alternative to farming which had to depend on seasonal rains. Has provided employment to one person.

**Daily Schedule**

: Works from 5 a.m. to 10 p.m.

**Income**

:

***Before microcredit***

With the land having failed, income came from only one buffalo. Net profit was only Rs.800 per month.

***After microcredit***

Purchase of more buffaloes and increase in sale of milk, net profit increased to Rs.3000 per month. Land still does not yield any income. She is happy she found an alternative livelihood.

**Future Plans**

: To further increase the number of buffaloes to meet the demand for milk.



## 13. Entrepreneur in Diversity

- Gangula Veeralaxmi



She hails from an agricultural family. Due to health problems and undue expenses incurred, the family had to sell the land. To sustain the family, Gangula bought buffaloes to sell milk and also managed a kirana shop selling miscellaneous grocery items and vegetables. Through sheer

determination and hard work, by utilizing the loans provided by Bala Vikasa, she lifted the family out of poverty. Microcredit and her entrepreneurship skills gave a new life to her family.

**Name/Age** : Gangula Veeralaxmi, 45 yrs.

**Native of** : Dharmaram, Ookal, Warangal.

**Family Background** : Mounting medical expenses forced the family to sell four acres of land, their only asset.

They lived off two buffaloes.

Has three children.

**Driving Force** :

**Circumstances** : Need to sustain family through alternative means.

**Bala Vikasa**

Joined Bala Vikasa in 1996. Learnt about microcredit and its success as exemplified in the lives of other BV women.

Bala Vikasa built her capacity and instilled in her a desire to try her hand at a new enterprise.

She was motivated to become an entrepreneur.

She says: "Bala Vikasa loans improved my financial situation and helped me come out of a poverty stricken state. I am grateful to Bala Vikasa for the support and for giving me the confidence to try out an alternative to agriculture, to sustain my family."

**Enterprise with Microcredit**

: Two loans of Rs.5000 each, helped purchase 2 buffaloes.  
Third loan of Rs.5000 helped start a kirana cum vegetable shop.  
She now owns four buffaloes and sells 10-11 litres of milk daily.  
Has employed one person to take care of the buffaloes.

**Benefits Accrued**

: Microcredit helped initiate an alternative source of revenue.  
Quick returns helped celebrate the marriages of her two daughters.

**Diversified Activities:**

In addition to the milk produced by her own buffaloes, her husband buys milk from others and sells in the town. They earn Rs. 2 per litre.  
They also have a chit fund.  
Savings has helped start a kirana cum vegetable shop.  
Purchase of a refrigerator has enabled sale of cold drinks.

**Daily schedule**

: She works from very early in the morning till late in the night looking after her buffaloes and her shop.

**Income**

**Before microcredit**

With two buffaloes income was only Rs.1600.

**After microcredit**

The net income from milk, and other diversified business, has increased to over Rs.4000.

**Future Plans**

: To shift to a bigger shop to increase business opportunities.



## 14. From a Housewife to a Successful Entrepreneur

- Rathipelli Ramadevi



Rathipelli Rama Devi led a secluded and sedantic life, until she became a member of Bala Vikasa women's group. The training programs and success stories of other women, awakened in her a yearning to become successful like the other BV women and to contribute in a similar manner towards the betterment of her family.

**Name/Age** : Rathipelli Rama Devi, 30 yrs.  
**Native of** : Gorrekunta, Subedari, Warangal.  
**Family Background** : Husband is a government bus driver.  
Until she joined BV she was a housewife.  
Knew tailoring even before marriage.  
Hails from an educated family.  
Has two children in school.

**Driving Force** :

**Bala Vikasa** Unlike many other women, she felt no compulsion to do anything other than being a housewife, although life was not comfortable living on a single income.  
Joined Bala Vikasa in 1998.  
Contact with other women and seeing their dynamism, transformed her.  
Bala Vikasa provided her the opportunities to build her self confidence and draw out her innate potential.  
With the support of Bala Vikasa and the encouragement of her husband, she developed new contacts, became courageous and ventured into a totally new life.  
She says: "Bala Vikasa helped my dormant potential to surface. Thanks to Bala Vikasa I am a transformed woman today."

**Enterprise with Microcredit**

: First loan was taken to start a petty shop, selling miscellaneous things from her home.  
Second loan helped invest in ready-made garments.  
Third loan facilitated shifting business from her house to a rented shop on the main road paying Rs.300, and investing Rs.80,000 in furniture and stock.

**Benefits Accrued** : More than the financial gain, Rama Devi and her family are pleased with the transformation of her personality.  
She is now able to take decisions on her own, something she never thought was required nor possible before she joined Bala Vikasa.  
Profit from her shop provides a little extras for the family.

**Daily Schedule** : She is at the shop from 8.30 a.m. to 8.00 p.m.

**Income** :

**Before micro-credit** Family lived on the single income of her husband's salary of Rs 3500.

**After micro-credit** Bala Vikasa's credit program helped increase family's income to Rs. 6000 with Rama Devi selling ready-made garments, trinkets and other sundry items.

**Future Plans** : To buy the latest hi-tech machine to stitch saree borders and saree falls.



## 15. The Tailor

- Amancha Raja Mani



She took to tailoring out of sheer desperation and hunger. With her husband's illness and inability to earn, she was forced to find an alternative. Bala Vikasa's microcredit saved her family from starvation and loss of dignity.

<b>Name/Age</b>	: Amancha Rajamani, 37 yrs.
<b>Native of</b>	: Labour Colony, Subedari, Warangal.
<b>Family background</b>	: Husband an electrician. Due to ill health husband has not worked for the last four years. She is illiterate and presently the only bread winner. Three children in school. Lives in her own house. Has converted the front room into a shop.
<b>Driving Force</b>	:
<b>Hunger &amp; Discord</b>	: Husband not bringing home any income, led to family going hungry and disruption of domestic harmony.
<b>Bala Vikasa</b>	: Joined Bala Vikasa in 1999. Bala Vikasa's loan helped restore family revenue. Her earning capacity has given her dignity and has gained the respect of her villagers. Before joining BV, she was restricted to the house. Bala Vikasa built her self-confidence, and now she deals with customers and negotiates prices.
<b>Initial IG activity</b>	: In 1980, she learnt tailoring. She purchased one sewing machine and trained her daughters and other women in tailoring. Took tailoring orders and earned a small sum.

**Enterprise with Microcredit**

: Took two loans of Rs.5000 each to purchase two machines.

A third loan helped invest in saree business.

She stitches 10 blouses a day and on an average earns Rs. 250 per day.

Has diversified and now sells sarees from the same shop and makes a profit of Rs. 700 per month.

**Benefits Accrued**

: Her income supports the family and they no longer go hungry.

She also supports children's education.

**Working Hours**

: Since her children can help her only when they are off school, she works from 4 a.m. to 10 p.m.

**Income**

:

***Before microcredit***

As her husband was unable to work, she earned approximately Rs. 3000 on a single machine.

***After microcredit***

With more machines and more help from her children, and diversification of business, her income has increased to over Rs.7500.

**Future Plans**

: To purchase more machines and expand business.



## 16. Entrepreneur with a 'Kitchen on Wheels'

- Chilpoori Vishala



Vishala's family had to bear a huge financial burden due to her son's kidney problem. She joined Bala Vikasa women's group and through her interaction with other BV women, she soon realized that she had potential entrepreneurial skills. With the training received through BV she soon launched into diversified business activities. Her successful entrepreneurship has considerably enhanced her family's financial situation, and through it the overall welfare of the family, including the health of her son.

**Name/Age** : Chilpoori Vishala, 36 yrs.

**Native of** : Assisi Nagar, Subedari, Warangal.

**Family Background** : Husband initially worked in a private company at Warangal.

She started a small Kirana shop to make some extra money.

Husband gave up his job to look after the family's kirana shop.

Has three children all in school.

All profit made in the business was all spent on their son's kidney problem.

Rs. 40,000 was spent over two years in the treatment of their son.

**Driving Force** :

**Children's well being** To provide better medical facilities for her ailing son, and good education for her children.

**Bala Vikasa**

Joined BV in 2000. Before joining BV she was a very timid woman.

Participated in BV's capacity building program, which acted as a catalyst to channelize her dormant entrepreneurial potential.

She learnt practical lessons from other BV entrepreneurs which helped her in her enterprise.

“Bala Vikasa microcredit not only helped us improve economically, it also helped in improving my son’s health. Truly, health is wealth.”

**Initial IG Activity** : Invested Rs. 20,000 in a kirana shop which she managed from a rented premises without any furniture.

Paid a rent of Rs.1000 per month.

Rolled beedis to earn extra money.

**Enterprise with Microcredit** : First loan of Rs. 5000 was invested on the Kitchen on Wheels, a mobile cart from which they cooked tiffin (heavy snacks) and made tea.

It was positioned in front of their rented kirana shop.

Husband helped in preparing the tiffin.

Second loan of Rs. 10,000 helped purchase a few bicycles which were given out on hire.

A vegetable corner and a telephone for public use(PCO) was added on.

**Benefits Accrued** : Diversified business of running a kirana shop, selling tiffin items, hiring out cycles, selling vegetables, and managing a PCO, all under one roof, helped increase family income.

Husband now consults her and joint decisions are made.

**Daily Schedule** : Both work from 5 a.m. to 9 p.m.

### **Income**

**Before microcredit** Income was around Rs.3000 per month, but most of it was spent on son’s health.

**After microcredit** Diversified business increased earnings to over Rs.5000 per month.

**Future Plans** : To further diversify and sustain the present enterprise.

## 17. Saree Starching Woman

- Aluka Bhagyalaxmi



Aluka was a housewife content in doing nothing substantial during her free time. Her contact with some Bala Vikasa women in her locality changed it all. She joined BV and soon realized that she too, like other women, could contribute to her family's income. After gaining knowledge from BV's training programs, and encouraged by BV's easy repayment of loans, she started a saree starching business. She now takes great pride in being active and utilizing her time profitably as she is always busy with the

rolling sticks in her hands, while two other women spray starch on to the stretched out sarees. Her greatest joy is in being able to contribute to the family's income which has improved the quality of the family's life. Her success is now encouraging her to start a Dry Cleaners business.

**Name/Age** : Aluka Bhagyalaxmi.

**Native of** : Dasaram, Sanathnagar, Hyderabad.

**Family Background** : Her husband is a mechanic and earns Rs. 1500 per month.

Both of them have studied only up to 5<sup>th</sup> Std.

They live in their own house.

Two children are in school.

**Driving Force** :

**Success of BV women** Realization that she too could contribute to her family income incited her to emulate other BV women.

**Bala Vikasa**

Joined Bala Vikasa in 1996.

The idea of starting her own enterprise dawned on her only after becoming a BV member.

Knowledge of the benefits of savings and microcredit as a means of earning extra income stimulated in her a desire to become an entrepreneur.

She says: "BV taught me to use time more beneficially."

### Enterprise with

#### Microcredit

: First loan of Rs. 5000 helped buy three sets of rolling sticks.



Second loan of Rs.5000 further assisted in purchasing 5 more rolling sticks.

Third loan of Rs.10,000 helped purchase a starch spraying machine.

She charges Rs. 5 for starching a cotton saree and Rs 7 for a silk saree.

Purchases 1 Kg of starch for Rs. 35, which helps starch 28 sarees.

Since the process needs assistance she has two women helping her, one of them her sister-in-law.

Profit from her enterprise has helped purchase other equipment.

#### Benefits Accrued

: Has substantially augmented her family's income and raised the standard of living.

Is now able to afford more nutritious food and better education for her children.

She has won the respect and cooperation of the family.

#### Diversified activities

: She has also learnt to do embroidery on sarees and uses her free time to pursue this activity and earns Rs. 300 to 500 per saree.

#### Daily Schedule

: Works from 10a.m. to 2p.m. and 4p.m. to 10p.m.

#### Income

:

#### Before microcredit

Lived on husband's single income of Rs.1500 per month.

#### After microcredit

She earns around Rs.1000 per month and has increased family income.

#### Future Plans

: To open a Dry Cleaners shop after acquiring required knowledge and skills.

## 18. Temple Shop Owner

- Perumandla Padma



Perumandala had confined herself to her kitchen and domestic activities till her husband encouraged her to join Bala Vikasa. Benefiting from BV training, today she is a successful entrepreneur. Her self-confidence has transformed her, and it is reflected in her demeanor.

**Name/Age** : P. Padma, 26 yrs.

**Native of** : Dasaram, Sanathnagar, Hyderabad.

**Family Background** : Her husband works at a government hospital and earns Rs. 3000 per month.

She got married when she was studying in 9<sup>th</sup> Std.

Both are from a middle class family and her activities confined her to her home.

Has three children in school.

**Driving Force** :

**Husband**

Her husband was the driving force, as he encouraged her to go out of the house and interact with other women.

Gave her the confidence that she had the capacity to do something on her own.

Encouraged her to join BV.

**Bala Vikasa**

Joined Bala Vikasa in 1996.

BV's awareness training on various income generation activities gave her the confidence that she too can contribute to family income by using her free time more profitably.

**Enterprise with Microcredit**



: First loan of Rs.2000 went towards buying a table to sell coconuts and flowers sitting outside the temple gate.

Second loan of Rs.5000 helped purchase other sacred items required for pooja (devotion) within the temple.

Third loan of Rs.10,000 helped buy a metal cupboard to lock up her things and also to store more stock.

Earns Rs. 300 per day.

On Thursdays and Fridays, when more people visit the temple, her earnings increase to Rs.600.

During the period of a local festival she earns Rs.2,500-3,000. At other times, she earns Rs. 300 per day.

**Benefits Accrued** : Increase in family income has enabled her to support her children in good schools and live a more healthy and comfortable life.

Has received full cooperation from her husband.

**Diversified activities** : With the income from the shop she started a chit business (recurring deposit) for Rs. 30,000.

**Daily Schedule** : Starts her household work at 4.30 a.m.  
Is at her shop outside the temple from 6 a.m. to 12 noon and from 5 p.m. to 9 p.m.

**Income** :

**Before microcredit** Husband's salary was the only source of income for the family.

**After microcredit** Additional income from her temple shop and chit fund totals to over Rs.2000 per month.

**Future Plans** : To expand the shop, and increase stock of sacred articles which would attract temple goers.



## 19. Reviver of Traditional Banjara Work

- Sujatha Pittala



Sujatha has not only revived the traditional handwork of her community known as Banjara work, (colourful patchwork) but has also made a difference to her own family and that of many others living in her colony, having employed 40 women in her enterprise. Through various programs conducted by Bala Vikasa, she imbibed the spirit of hard work and leadership qualities and also learnt to hone her business skills .

<b>Name/Age</b>	: Pittala Sujatha, 32 yrs.
<b>Native of</b>	: SRT Nagar, Sanathnagar, Hyderabad.
<b>Family Details</b>	: Husband works as a sentry on daily wages. She is a trained certificate holder of Banjara work. Has 12 years experience in the exclusive Banjara handwork. Has two children in school.
<b>Driving Force</b>	:
<b>Family's needs</b>	Husband's income was insufficient to meet the needs of a family of four.
<b>Bala Vikasa</b>	Became a member of Bala Vikasa in 2000. For the first time she learnt the need to save. BV training empowered her with knowledge on how to make a family self supportive and independent. Opportunity to interact with other BV entrepreneurs gave her the courage and confidence to utilize her inherent skills. She says: "Bala Vikasa helped revive my traditional art."
<b>Initial IG Activity</b>	: Since she was skilled in Banjara work she worked on a few pieces which fetched her some income.

**Enterprise with Microcredit**

: First loan of Rs. 5000 helped invest on material, thread, and other essentials for the special Banjara work.

Her samples have helped her receive orders from garment companies.

Distributes the work to 40 women of her community living in her colony.

On completion the women return the goods and she pays them according to their work.

**Benefits Accrued**

: The financial status of her family has improved dramatically.

She has also provided an opportunity for 40 other women with similar skills to earn a livelihood.

Has learnt to coordinate, negotiate prices and lead forty women in the enterprise.

**Daily Schedule**

: Throughout the day she is occupied with the handwork.

**Income**

:

**Before microcredit**

Through piece work she used to earn at times Rs. 1000.

**After microcredit**

Her profit amounts to over Rs. 3000 per month.

**Future Plans**

: To widen her network at a higher level and increase business, as human resources is available.



## 20. Proprietor of Video Games Mini-Parlour

- M. Sulochana



With the growing popularity of video games with children, Sulochana, with the help of her family members, especially her son a trained TV mechanic, hit upon the idea of starting a video games mini-parlour in her own home. In her free time she also earned through tailoring

**Name/Age** : M. Sulochana, 42 yrs.

**Native of** : Indra Nagar, Sanathnagar, Hyderabad.

**Family Background** : Husband, a graduate works in a Zoology lab.

Has four children.

One girl is married, one son has completed a technical course and helps in TV repairs.

Two sons are in school.

**Driving Force** :

**Insufficient income** : Desire to increase family income to support a family of six.

**Bala Vikasa**

Joined BV in 1996. Until then she was very much home bound.

By nature she was a very timid person but interacting with other BV women helped her come out of her shell.

Easy repayment of BV loans motivated her to become an entrepreneur.

"Bala Vikasa not only helped me with its microcredit program, it also helped me build my self-confidence and self-esteem. I learnt that where there is a will to improve there is a way."

**Initial IG Activity** : Took tailoring orders to augment family income.

**Enterprise with Microcredit**



: First loan of Rs. 5000 helped start saree business which was not very successful.  
Second loan of Rs. 10,000 was spent in buying three black & white TV sets for the video games and some furniture.  
Third loan of Rs 10,000 helped buy one color TV and CD.  
With an investment of Rs 60000-70000 she gradually increased the number of TV sets to nine  
She charges Rs. 4 for the use of the Black and White TV and Rs. 7 for colour.  
She buys each cassette for Rs. 300.  
Initially it attracted only 7-10 children and she earned Rs. 35 per day.  
Now 50-60 children visit her mini-parlour every day and her income has increased to Rs. 150-200 and her monthly profit after deducting all expenses is Rs. 3000.

**Benefits Accrued** : Family's financial situation changed with the additional income of Rs. 3000 per month.  
Family is self-reliant as repairs and running of the mini-parlour is taken care of by the family members.  
Has no over heads as the mini-parlour is run from the home.

**Daily schedule** : Works from 8.30 a.m. to 11 p.m. managing the video games mini-parlour and doing some tailoring work.

**Assets** : Television sets and CDs.

**Income** :

**Before microcredit** One person's salary and income from tailoring which varied, was insufficient for a family of six members.

**After microcredit** Average profit of Rs. 3000 per month, after deducting all expenses, has improved family's income.

**Future Plans** : To continue with the same business as she is fully satisfied with the results of her enterprise.  
Not too keen to expand further, as she is not sure whether she will be able to manage the mini-parlour after her children get married and move out.

## 21. An Entrepreneur with a Difference

- Beebi Jhon



Beebi Jhon has crossed religious barriers and has not only transformed herself, but has changed the lives of others like her by venturing into a man's world. Beebi belongs to the Muslim community. She earns a living by assembling electrical meters. She works with screwdrivers and cutting pliers, unconventional tools in a woman's realm .

**Name** : **Beebi Jhon.**

**Native of** : V. Ramarao Nagar, Sanathnagar, Hyderabad.

**Family Background:** She and her husband hail from very poor families and have no assets.

Initially she worked in a private company to support the family.

Has three daughters, one is married and the other two are studying.

Belongs to a conservative community.

**Driving Force** :

**Poverty**

Poverty drove her to break all social and cultural barriers.

Husband's encouragement to be self-reliant even if it meant breaking societal norms.

**Bala Vikasa**

Joined Bala Vikasa in 1996 and became a group leader.

Though from a Muslim background, encouraged by her husband she regularly attended all meetings and participated in all BV activities.

Her active participation and keen desire to build her capacity helped her become worldly wise and gain a lot of knowledge within a short period of time.

She has now become an advocate for justice and women's rights.

BV has stirred patriotic feelings and she participates in all national festivals.

"My religion is no more a barrier in the advancement of my family" she says.

## Enterprise with Microcredit



: First loan of Rs. 5000 was used to start the electric meter assembling enterprise.

Second loan of Rs.10, 000 went towards security deposit to receive contracts from companies to assemble electric meters.

Third loan was again given as deposit to receive more raw material from the company.

Fourth loan helped start a kirana shop in one corner of the house, selling miscellaneous articles for women.

She has employed 10 women and pays them per unit assembled.

She receives Rs. 15 per 100 units assembled and she pays her employees Rs. 12.

One person can assemble as many as 300 meters a day.

Her husband takes care of all the work outside the house such as collection of meter boxes, etc. She takes care of the work done in house.

She also sells 30 packs of milk packets.

**Benefits Accrued** : The family has been lifted out of the morass of poverty.

Success gained her respect.

**Diversified activities** : Started a kirana shop and also sold vegetables and milk packets.

**Daily Schedule** : She and her husband are fully occupied from 6 a.m. to 10.30 p.m.

While her husband helps in the procurement of milk packets and vegetables, she takes care of the sales.

**Income** :

**Before micro-credit** She was not earning anything before joining Bala Vikasa.

**After micro-credit** She runs a Kirana Shop and makes a net profit of Rs.1500 per month.

**Future Plans** : To expand the kirana shop and start an STD booth (PCO).

## 22. A Multi-faceted Entrepreneur

- Kommareddy Radha Rani



K. Radha Rani has worked tirelessly and has risen from experimenting in a small income generation project to becoming a successful a multi-faceted business woman. Her success is largely due to her personal skills and zeal, and her family's support.

<b>Name</b>	: K. Radha Rani
<b>Native of</b>	: Hymavathinagar, Sanathnagar, Hyderabad.
<b>Family Background</b>	: Husband works as a welder in a private company and helps during his free time. Radha knows tailoring. She and her husband are from educated families. Has two children in school.
<b>Driving Force</b>	:
<b>Family Welfare</b>	: Welfare of her children and providing them with a good education was her priority.
<b>Bala Vikasa</b>	: She was a member of other Mahila mandals (Women's groups) before joining Bala Vikasa. Joined Bala Vikasa in 1996. She says: "I did not learn anything in other groups. But as a member of Bala Vikasa I got the opportunity to mingle and share thoughts with other members, which has enlightened me. BV helped me to improve my financial position through its credit program and easy repayment system." Bala Vikasa's special program for orphans and old people made her sensitive to their needs and instilled in her a feeling of solidarity with a desire to help the less privileged.
<b>Initial IG Activity</b>	: To supplement family income she undertook small tailoring orders. Income was not consistent. Some days she earned Rs.150.

**Enterprise with Microcredit**

: First Vikasa loan of Rs. 5000 went towards purchasing a Pico machine (for sewing the edges of material).  
Second loan of Rs. 10,000 helped buy a dry grinder to grind condiments like red chillies. With the profit accrued, she purchased a commercial wet grinder.  
Third loan from BV for Rs.10, 000 enabled the purchase of a heavy grinder to grind rice and other grains (a mini-flour mill).  
The grinding shop is run from a rented shop.  
She does the grinding and the tailoring business largely on her own.  
Husband helps during his free hours.

**Benefits Accrued** : Increased family income and uplifted them out of their poverty ridden state.

**Daily Schedule** : She wakes up at 4.30 a.m. to attend to domestic work.  
Works in the shop from 7.30 a.m. to 10.30 p.m.  
While waiting for customers she does her tailoring work.

**Assets** : Sewing machine, heavy grinder, wet and dry grinders.

**Income** :

**Before microcredit** Husband's income and small payments received for her tailoring work.

**After microcredit** Earns about Rs. 400 a day with her grinding business.

**Future Plans** : To own a shop so that she can save on the rent of Rs.1300 per month.



## 23. A Determined Entrepreneur

- Chittimalla Laxmi



Laxmi helped her family to increase income firstly through her tailoring business. Then she expanded her enterprise and sold sarees. This was suddenly wrecked by a fire. Despite the financial loss, through sheer determination and grit she overcame the tragedy and rebuilt her business and the life of her family.

**Name/Age** : Ch. Laxmi, 30 yrs.

**Native of** : Hymavathinagar, Sanathnagar, Hyderabad.

**Family Background:** Husband buys petrol in bulk and sells 30 litres per day and makes a profit of Rs.3 per litre.

When fire broke out it destroyed everything.

Family had to depend on relatives as it had reduced the family to a dismal state.

She knows tailoring.

**Driving Force** :

**Self-reliance** Her desire to make her family self-reliant.

**Bala Vikasa** She joined Bala Vikasa in 1996 to re-build her life, after she had lost everything in the fire.

She says: "Bala Vikasa not only helped me restart my business through its microcredit program, it also encouraged me and gave me the much needed timely support to re-build my life and that of my family."

**Initial IG Activity** : To augment family income she did tailoring work and saree business with an investment of Rs.10,000.

**Enterprise with Microcredit**

: After the fire, she took a loan of Rs. 5000 from BV and with her personal savings, she started a cool drinks section investing on a refrigerator.

Second loan of Rs.10,000 helped expand business and buy furniture.

She continues to run a tailor shop with two machines and also sell sarees.

Has employed one girl in the tailoring section.

Pays a rent of Rs. 1100 for the shop.

**Benefits Accrued**

: Family is now self reliant.

Rising from the ashes and in re-starting her business all over again, she has become a role model to other families.

She has become a role model to other women who believe that if one is determined and works hard one can succeed.

**Daily Schedule**

: She works from 5.30 a.m. to 10.30 p.m.

Is at the shop from 8 a.m. to 9 p.m.

During festivals she works over time.

**Income**

:

**Before microcredit**

Before receiving her loan, Chittimalla was not earning any income.

**After microcredit**

She earns about Rs. 300 per day.

**Future Plans**

: To further expand and sell readymade garments.



## 24. The Hotelier

- Doodala Anjamma



Anjamma was in a small hotel business serving tiffin (heavy snacks not regular meals) for over 15 years before joining BV. Her training at BV and knowledge of the micro finance program helped her to widen her business horizon. She acquired business acumen which helped her improve and diversify her enterprise.

<b>Name/Age</b>	: D. Anjamma, 40 yrs.
<b>Native of</b>	: Hymavathinagar, Sanathnagar, Hyderabad.
<b>Family Background</b>	: She hails from a lower middle class family. Has studied up to Std. 7. Husband is illiterate. Has three children. Two attend school and one son helps her in her hotel business.
<b>Driving Force</b>	:
<b>Financial constraints</b>	To meet the basic needs of the family.
<b>Bala Vikasa</b>	Joined Bala Vikasa in 1996 and learnt the value of time and punctuality through the training programs of BV. Interacted with other women and built good relationships with women in her locality. She says: "I have realized the importance of knowledge and savings. I have learnt new techniques in business and improved my business through credit program of BV."
<b>Initial IG Activity</b>	: For 15 years she was doing small eatery business.

**Enterprise with Microcredit**

: First loan of Rs.5000 helped start a cool drinks section in her small hotel.

Second loan of Rs.10,000 helped buy tables and chairs and give her hotel a face lift which attracted more customers.

Third loan helped start a counter in the hotel to sell milk.

Her husband and son help her.

Has also employed one person with a salary of Rs. 700 per month.

**Benefits Accrued**

: Diversifying business within the hotel and improving the interior of the hotel has helped attract more customers and thus increase income.

Since it is a family enterprise, there is more cooperation within the family now.

Quality of life has improved; children receive better education.

**Daily Schedule**

: She and her husband work from 5 a.m. to 11.30 p.m.

**Income**

:

**Before microcredit**

Before receiving her loan, she was not earning any income.

**After microcredit**

The business per day has increased to around Rs. 1500.

They save about Rs.5000 to 6000 per month.

**Future Plans**

: To expand the present business of serving only tiffin to serving regular meals as well.



## 25. The Soda Bottle Woman

- Rama Devi



Rama Devi found a novel method of overcoming her financial situation. Since her husband could not find a suitable job and works on a meager salary, in her keenness to boost family income, she started re-filling soda bottles with carbon di-oxide from a gas cylinder. She sold crates of soda to retailers. She has now diversified her business and the family is now more financially secure .

<b>Name/Age</b>	: Rama Devi
<b>Native of</b>	: Dharmaram, Ookal, Warangal.
<b>Family Background</b>	: Husband has a teacher's training certificate (TTC) but works as an auto rickshaw driver. She does tailoring to earn a little money. Has two young children.
<b>Driving Force</b>	:
<b>Family welfare</b>	: To improve living conditions which was not possible with the meager salary of an auto rickshaw driver.
<b>Bala Vikasa</b>	: She joined Bala Vikasa in 2000.  BV's monthly training programs improved her knowledge and awareness and built her capacity to take decisions.  BV's microcredit program and easy repayment motivated her to try her hand at a new enterprise to boost family income.
<b>Initial Activity</b>	: Started soda business with a loan of Rs.13,000 on high interest, which bought her one gas cylinder, soda machine and 10 crates of soda bottles.(each crate consists of 24 bottles).  She carried out her business from a rented shop.

**Enterprise with Microcredit**

: Her first Vikasa loan of Rs.5000 helped purchase 15 crates of soda bottles.

With the profit, she bought 10 more crates.

She cleans and fills the bottles with gas.

Daily she fills 6 crates of bottles. In summer it increases to 10 crates.

Her husband distributes the crates in an auto rickshaw to the retailers at Rs 18-20 per crate.

Each gas cylinder costs Rs.200, and it supplies gas for about 150 crates.

**Benefits Accrued** : Daily profit is about Rs.100.

Has provided employment to one person.

Family is totally involved as it is a family enterprise.

**Diversified activities** : She does tailoring work during her free time.

**Income** :

**Before microcredit** Income from auto rickshaw driving and soda bottle filling amounted to Rs. 1500 per month.

**After micro-credit** After deducting all expenses, profit now amounts to Rs.3000 per month.

**Future Plans** : To purchase a refrigerator and start a cold drinks section in the same shop.



**Microcredit: Means to Integrated  
Human Development: Conclusion**

The case studies reveal that while credit facilities are measurable, the results achieved by integrating microcredit into the overall development of women in Bala Vikasa Integrated Women Development Program, are immeasurable. Vikasa loans have not only substantially altered the economic status of women and their families, but have also, to a

large degree, helped women to gain self confidence and respect within their own families and in the society, thereby helping them progress socially, democratically and economically. Bala Vikasa's Microcredit program has not been just money!

The dedicated Year of Microcredit will soon end, but the stories of successful BV entrepreneurs will only increase, and go on and on, and have no end.



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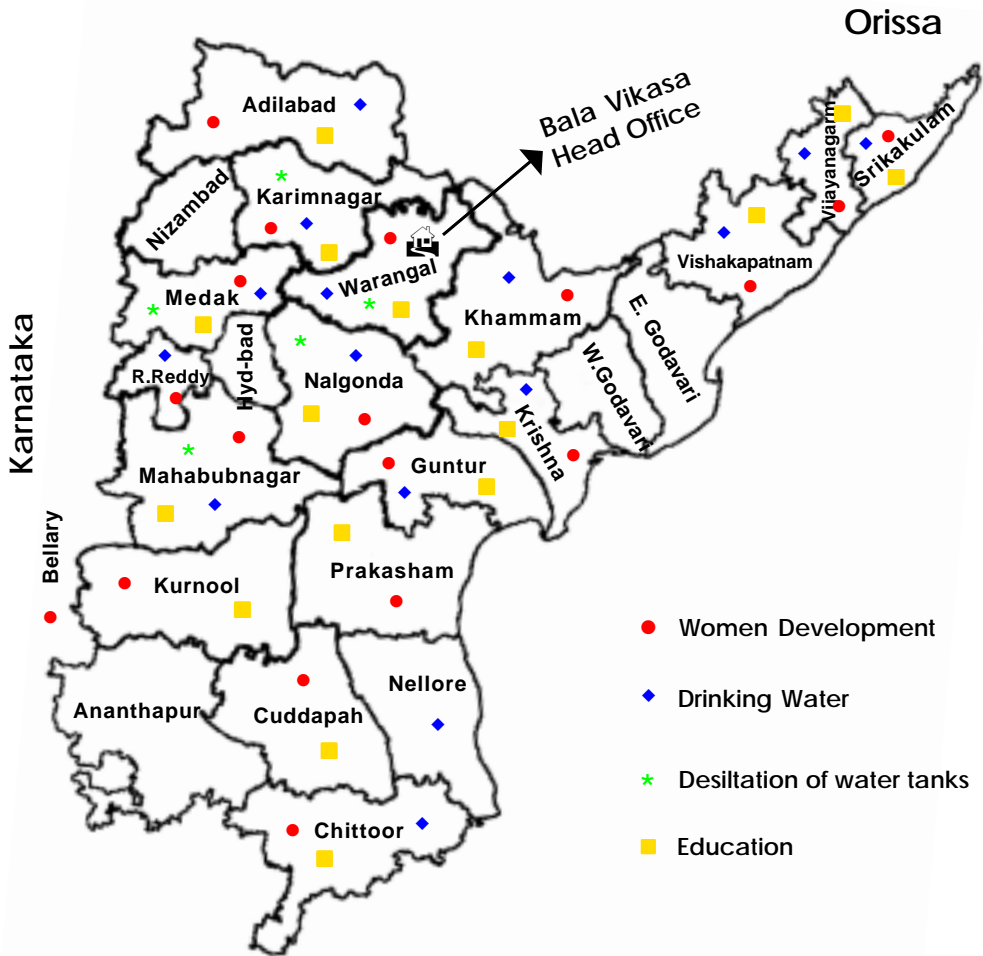
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# Map of Andhra Pradesh - India Bala Vikasa Programmes



*sketch map not to scale*

This booklet is published by Bala Vikasa People Development Training Center.

Bala Vikasa is a registered, secular, non-partisan, non-profit, voluntary, social service organization in India, working mainly in Andhra Pradesh for a common goal: to help the people to help themselves without distinction of caste and creed.

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*Reg. No. 569 of 1991 FCRA No 010360036*

ISBN 81-902248-2-4